

Minutes of the 191st Meeting of the Board of InterTradeIreland, the Trade and Business Development Body.

Thursday 28th February 2019 – InterTradeIreland (8.30 am – 10.10 am)

Present:

Board Members:

Mr Ken Nelson	Chairman
Mr Paul O’Sullivan	Vice Chair
Mr Paul Greenfield	
Mr Patrick Joy	
Ms Ann Rudden	

Mr Terry Crossan – via teleconference call (8.50am – 9.30am)

Mr James Spratt – via teleconference call (8.55am – 9.30am)

Observer:

Ms Adrienne McGuinness	Nominated Board member
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Executive:

Mr Aidan Gough	Designated Officer
Ms Margaret Hearty	Assistant Designated Officer
Mr Martin Agnew	Corporate Services Director
Ms Alayne Kinver	Assistant Director of Strategy and Policy
Mr Alan Morrow	Assistant Director of Programmes and Business Services
Ms Orla McGlennon	Board Secretary

191.01 Apologies

Apologies have been received from Mr Micheál Briody, Mr Timothy Cairns and Ms Florence Bayliss.

191.02 Opening Remarks

The Chairman welcomed all to the meeting and wished everyone a Happy New year given his absence in person at the last Board meeting. He thanked Mr O’Sullivan for chairing the January Board meeting. On behalf of the Board he expressed their condolences to Mr Paul Greenfield on the recent death of his father-in-law.

191.03 Conflict of Interest

The Chairman asked members to declare any conflicts of interest relating to today's agenda. Mr Nelson declared a potential conflict of interest arising from his position as CEO of LEDCOM, which is a member organisation of Enterprise Northern Ireland and is involved in the delivery of the Co-Innovate programme. Mr Greenfield declared a potential conflict of interest arising from his position as a member of the Peace IV Working Group and as Board member of East Border Region Ltd, which is involved in the delivery of the Co-Innovate programme. Ms Ann Rudden declared a potential conflict of interest arising from her position as founder and MD of Áine Handmade Chocolates who are participants on the Co-Innovate programme.

No other conflicts were declared.

191.04 Matters Arising

Mr Gough reported that the DBEI Secretary General and the DfE Permanent Secretary had sent apologies for the meeting today and the meeting is being rescheduled. The terms of reference for the research project looking at the challenges and cross border opportunities from the digital revolution in industrial production known as Industry 4.0 was emailed to Board members for their consideration. Mr Gough advised that all other matters arising have been addressed.

191.05 Chairman's Business

The Chairman advised that he had recently attended the very successful Translink Supplier Engagement event in Belfast. He reported that the event was very well attended with 580 registrations and very positive feedback from attendees. He asked that a note of thanks be passed on to the team involved.

The Chairman informed the Board that he would be attending the Eversheds Sutherland Annual Leaders Dinner in Dublin that evening at which Mr David Davis MP, former Secretary of State for Exiting the European Union would be guest speaker.

The Chairman advised that Minister Humphries has agreed to launch the new phase of the Brexit Advisory Service (including the Virtual Learning Environment) on Monday 4th March in the Hillgrove Hotel, Monaghan from 2.30pm to 5.00pm. All Board members were invited to attend.

The Chairman informed the Board that the DBEI Secretary General, Dr Orlaigh Quinn and the DfE Permanent Secretary, Mr Noel Lavery have advised that they would be available to meet the Board on Tuesday 30th April but Mr Lavery would only be available to attend if the meeting was in the afternoon. The Board agreed to change the time of the Board meeting to 11.45am followed by lunch and a meeting with the Secretary General and Permanent Secretary at 2.15pm.

191.06 Designated Officer Report

Mr Gough informed the Board of the on-going preparations for Brexit which is currently a top priority for the Body. He reported that an internal Brexit Taskforce has been established which meets weekly to ensure a coordinated and focused response to any challenges as a result of Brexit. The Body's Risk Register has been changed to reflect the current risks associated with Brexit from Medium Probability/High Impact to High Probability/High Impact.

Mr Gough reported that although the current Corporate Plan has not yet been approved, work has commenced on the new Corporate Plan for 2020 – 2022. The Senior Leadership team has developed a broad strategic delivery framework that builds on past performance and will include a focus on new technologies and new initiatives to increase participation in and add value from cross border cooperation. This will be presented in greater detail later in the meeting.

The Board were updated on recent stakeholder engagements including the Irish Government's Brexit Stakeholder Forum and the DfE's EU Exit Implementation Group. Mr Gough advised that the Body were working closely with INI and EI regarding Brexit activities to avoid duplication and participating at their events.

The Board noted the Designated Officer's report and the Chairman thanked Mr Gough for his update.

191.07 Board Sub Committee Reports

Innovation Sub Committee Report

Mr O'Sullivan reported back from the Innovation Sub Committee meeting held on 29th January 2019. Fifteen new Fusion applications were considered and eleven were approved (nine for 18-month duration and two for a 12-month period), three were deferred pending further information and one was not approved. Mr O'Sullivan advised that the proposals considered were from various sectors and geographical areas.

The Board noted the Innovation Sub Committee report and the Chairman thanked Mr O'Sullivan for his update.

Trade Sub Committee Report

Mr Greenfield reported back from the Trade Sub Committee meeting held on 29th January 2019. He advised that the Committee considered twelve new Acumen applications and all were approved. These included six applications from Northern Ireland and six applications from Ireland (11-full time sales positions and 1-part time position).

The Board noted the Trade Sub Committee report and the Chairman thanked Mr Greenfield for his update.

191.08 For Consideration, Discussion and Noting.

Business Plan Budget Variance and Milestone Exception Report

Ms Kinver presented the Business Plan Budget Variance and Milestone Exception Report. She advised that there are currently no budget variances at this time.

The Chairman thanked Ms Kinver for her report and the Board noted the Business Plan Budget Variance and Milestone Exception Report.

Communications Update

Mr Agnew presented the Communications update. He advised that the Body's profile has never been higher. A press release focusing on cross border trade was issued in January to mark InterTradeIreland 20 years existence and support of SMEs across the island which generated a significant amount of national and regional media coverage.

Four companies were recently recognised for their outstanding innovation at a recent Fusion Exemplars event in Clogher which resulted in substantial regional PR coverage.

Mr Agnew reported that the latest Business Monitor results indicated that businesses are starting to feel pressure on a range of issues and are particularly concerned on the effects of Brexit. He advised that at a recent Oversight and Liaison Group meeting, the Sponsoring Departments reported that the Business Monitor results were held in high regard.

The Board noted the Communications Update and the Chairman thanked Mr Agnew for his report.

Mr Terry Crossan joined the Board meeting via teleconference call at 8.50am and Mr James Spratt joined the Board meeting via teleconference call at 8.55am.

The meeting was deemed quorate at this point.

191.09 Approval and Authorisation of the 29th January 2019 Board Minutes

The minutes of the 29th January 2019 Board meeting were agreed as a true record of the meeting and were approved by the Board and authorised by the Vice Chair (Mr O'Sullivan). The Chairman authorised the minutes of the 27th November 2018 which the Board approved on 29th January.

Operations Directorate Progress and Activity Report

Ms Hearty presented the Operations Directorate Progress and Activity Report. She advised that all programmes are progressing well. Uncertainty over Brexit has however resulted in some companies adopting a ‘wait and see’ approach regarding their participation on the Fusion, Acumen and Elevate programmes. This situation is being monitored and businesses are being given information to encourage them to plan for various scenarios regarding Brexit. Ms Hearty advised that there has been a notable lack of food companies applying for support and a targeting exercise has been introduced particularly in the Border counties and Leinster.

The enhanced Brexit Advisory Service will be launched by Minister Humphries on 4th March which includes the new Brexit Implementation Voucher and Virtual Learning Environment (VLE). Ms Hearty reported that the VLE will include a customs module specific to cross border traders. She advised that the VLE is user friendly and offers tailored advice for businesses.

Planning is underway for two large Brexit events in Dublin and Belfast in April 2019. The message at these events will depend on the outcome of the Brexit negotiations. Ms Hearty reported that the Brexit team is extremely busy and they are trying to address issues identified by SMEs including concerns regarding import and export documentation, costs from potentially increased tariffs and regulatory impacts. To date, 340 applications for the Brexit Start to Plan Voucher have been received this year. The Board highlighted the need for contingency planning and the importance of the Body reacting very quickly in the event of a no deal situation. Ms Hearty advised that planning is underway to assist SMEs on the island, regardless of what new trading relationship emerges. The Board enquired about the split of vouchers on a North/South basis and the sectors of applicants. Ms Hearty reported that 2/3 of Brexit voucher applicants are from Irish companies and 1/3 from Northern Ireland companies. She advised that approximately 30% of applicants are from the manufacturing sector and the remainder from a mix of other sectors. It was agreed that a breakdown of Brexit applications from the various sectors would be provided to the Board going forward.

Ms Hearty informed the Board that the Trade Accelerator Vouchers continue to offer effective support to microenterprises and first time exporters. One company based in Tyrone reported an increase in sales of €80,000 as a direct result of the Trade Accelerator Voucher.

The recent Fusion Exemplar Awards presentation in Clogher was a great event and short videos of the winners have been produced to highlight the significant impact a Fusion project can make for participating companies.

Ms Hearty advised that the InterTradeIreland Venture Capital Conference will take place in Croke Park, Dublin on 7th March with an excellent line up of guest speakers.

Ms Hearty advised that the 16th Seedcorn Investor Readiness Competition will be officially launched at the Venture Capital Conference. The Board approved the proposed breakdown of the 2019 Seedcorn prize fund of €280,000:

- Overall winner - €100,000;
- Category winner - €50,000;
- 6 x Regional winners - €20,000 each and
- Special award winner - €10,000.

The Board noted the Operations Directorate Progress and Activity reports and the Chairman thanked Ms Hearty for her report.

Tenders and Variations to Letters of Offer/Appointment

The Board approved Mr Agnew's request to extend the research contract to adapt the Supply Chain/Logistics content for the Brexit Advisory Service Virtual Learning Environment.

The Board approved Mr Agnew's request to extend the current contract for Advertising, Design and Print, until 31st May.

Co Innovate Programme Update

Mr Neil Ryan joined the Board meeting for this agenda item. He advised that the Co Innovate programme was progressing well and gave an update on the progress made on the various strands. The main concern continues to be Highlands and Islands Enterprise (HIE) which is behind target mainly due to the geographical challenges in this area. To help overcome this issue, a proposal has been submitted to SEUPB to allow HIE to use their management budget for consultancy services to deliver the audits. Mr Ryan advised that a framework of consultants currently exists and has been approved by SEUPB. Approval is being sought for HIE to use this framework for strand 2 audits.

Mr Ryan sought Board approval of the draft terms of reference for the Co-Innovate Programme Strand 4 and 5 Sub Committees as detailed in the Co-Innovate Board report. The Board discussed and approved both terms of reference. Mr Ryan sought a Board nominee to Chair the Strand 4 and 5 Sub Committees. It was agreed that Mr O'Sullivan would Chair these Sub Committees which will be carried out remotely.

Mr Ryan informed the Board that due to uncertainty's regarding Brexit, some companies are withdrawing or delaying their progress other strands of the programme. This has the potential to affect the delivery of targets within the current timescales. Mr Ryan reported that this situation is being closely monitored but may require an extension to the programme end date.

The Board noted the Co Innovate Programme report and the Chairman thanked Mr Ryan for his update.

Mr Crossan and Mr Spratt concluded the teleconference call at 9.30am.

Outline of the Corporate Plan 2020 – 2022

Mr Gough outlined a proposed strategic delivery framework for the 2020 to 2022 Corporate Plan. He advised that to date, key performance metrics have been achieved and the aim of the next plan is deliver more value, more business and more connectivity. He explained that more value could be delivered through the Synergy initiative, digitisation, data analytics and staff development. This would include upskilling staff in various areas. Mr Gough advised that Synergy is a new cross border initiative that will drive more value by scaling existing and new partnerships, networks and cross border collaborations. He reported that digitisation of

InterTradeIreland's programmes and initiatives could increase the reach to many SMEs on the island. Data analytics could create more value from the data we hold and better targeting of businesses. The importance of continuous upskilling of staff in these various areas will be important. To assist with the delivery of the Corporate Plan, there is an on-going commitment to progressing Investors in People towards Gold accreditation. The Chairman also highlighted the benefits of the Customer Service Excellence (CSE) accreditation. Mr Gough advised of the opportunity to examine the performance data we hold and collate and provide quarterly reports for programme managers. He informed the Board of the timeline involved in the preparation of the next Corporate Plan which would include the final draft being presented to the Board in September 2019 for approval.

The Board had a lengthy discussion on the plan and agreed that the proposed delivery builds on our existing role and supports the direction articulated going forward. The mission of facilitating frictionless trading and the importance of liaising with stakeholders was highlighted. Resource implications and staffing issues were also discussed. It was agreed that the meeting with the DBEI Secretary General and the DfE Permanent Secretary in April would provide an opportunity to discuss the next strategic Corporate Plan. The Board endorsed the direction of the new Corporate Plan and agreed to discuss the plan again at the next Board meeting.

The Chairman thanked the Senior Leadership for their work in this area to date.

Q4 2018 Business Monitor Results

Ms Kerry Curran, Policy Research Manager joined the Board meeting for this agenda item. She presented the results of Q4 2018 Business Monitor results.

Ms Curran thanked the Communications team for the significant PR and social media coverage generated by the latest Business Monitor results. She reported that the latest monitor results show businesses facing a range of issues though Brexit remains the key concern. Other challenges include rising costs and cash flows affecting 1/3 of firms. Recruitment issues are also on the rise with some companies reporting that they are struggling to recruit people with appropriate skills. In addition, only 4% of companies are considering spending money on R&D or new product development in the next twelve months, perhaps as a flexion of the ongoing Brexit uncertainty.

However, the majority of firms across the island report that they are either stable (50%) or in growth mode (40%) with 10% of businesses in decline. Ms Curran advised that cross border traders are no longer performing better than those with no cross border trade sales with their growth levels falling below growth of non-exporters for the first time. The potential reasons for this were discussed and it was noted that while this could potentially be a blip in the data, it could also be the start of Brexit affecting growth in cross border trade. Ms Curran advised that this would be examined in great detail in the next Business Monitor for signs of a trend.

The Board noted the results of Q4 2018 Business Monitor and the Chairman thanked Ms Curran for her very comprehensive presentation.

Governance and Financial Matters

Mr Agnew presented the Governance and Financial Matters report. He advised that interim audit fieldwork had commenced at the end of January and no issues have been raised to date.

Mr Agnew gave the Board an overview of the 2018 budgetary outturn and funding arrangements for 2019.

Mr Agnew reported that the Board in February 2018 had agreed that delegated authority would be given to the Co-Innovate Programme Strand 4 and 5 Assessment panels to approve project expenditure. He advised to ensure consistency with other InterTradeIreland programmes as was discussed previously in the meeting, a Board representative should be included in the panel.

The Board noted the Governance and Financial Matters report and the Chairman thanked Mr Agnew for his report.

Preparations for Brexit

Mr Gough gave an update on the Body's preparations for Brexit. He reported that in the event of a no deal Brexit, SMEs will require additional support. The Communications team is promoting our range of services through online and social media outlets.

Mr Agnew updated the Board on the Body's preparations, focussing on funding, possible Brexit implications and work being done internally around issues including data, letters of offer, contracts, communications messaging and strategy during this period.

191.11 AOB

The Chairman thanked the Executive and asked that the Board's appreciation be passed on to all staff in these challenging times.

.....Authorised by:

Mr Ken Nelson, Chairman, InterTradeIreland
26th March 2019